

**Mayor Barrett's 2013 State of the City Address**  
**Monday, February 25, 2013, Pritzlaff Building**  
*As prepared for delivery*

Now that's the way to start off on a Monday morning. Thanks so much to the Milwaukee Youth Symphony Orchestra for playing this morning. Good Morning Milwaukee! It's a pleasure to share with you the state of our city.

Welcome Alderman, other elected officials, distinguished guests and fellow Milwaukeeans.

Thank you Tarik, Reginald, Dr. Manos, Juli, Ernest, Sharon, Bryan, and Dinorah for your passion and commitment to Milwaukee. You are the people and projects that are redefining our city.

Welcome also to this historic building. This was Pritzlaff Hardware, a company with more than a century of history in Milwaukee. Just six weeks ago, the building was put on the National Register of Historic Places. Thanks to Kendall Breunig of Sunset Investors for hosting us this morning.

Look at what's going on nearby. The Menomonee Valley is on a roll. The Third Ward continues to thrive. To the south, the Reed Street Yards transformation from vacant lot to water industry hub will begin this spring.

Milwaukee is known as the place where rivers come together. And we are standing right at the confluence of the Milwaukee River and the Menomonee River. We are a short distance from the Intermodal Station – and right on the Streetcar route. I invite you to think about all the wonderful possibilities in store for this neighborhood and for our great City's future!

We chose this location because it captures the old and the new – not just in terms of the building – but also in the way Milwaukeeans and our partners are taking up the challenge to make a great city even greater.

Combining our traditions of hard work and perseverance with new ideas, fresh perspectives and a shared belief in Milwaukee's future, we are blessed to have so many people doing so much to enrich and grow our community. The strength and vibrancy of Milwaukee does not emanate from just one person or entity.

Our strength is grounded in the efforts of many – people who often go about their business without fanfare – and businesses and organizations that believe Milwaukee offers a financial return and opportunities to invest in the public good.

Organizations are doing remarkable work using arts and culture to transform neighborhoods. Earlier this year, ArtPlace, which is an initiative of the National Endowment for the Arts, recognized this area of Milwaukee as one of America's – America's – top 12 Artplaces. The selection process was determined through a data-driven analysis and Milwaukee shares this honor with cities like San Francisco, Miami Beach, and New York City.

I've been a believer in the impact arts can have on the vibrancy and economy of a City. ArtPlace recognized this area as a catalyst for change and a vibrant place where people want to be.

Our next effort focuses on two Milwaukee neighborhoods, Harambee and West Wisconsin Avenue, with the goal of strengthening the relationship among local government, businesses, local artists and community members. It takes creative and dedicated individuals like Keith Hayes of Beintween to see the potential of social innovation efforts like this.

It's also people like Reginald Baylor, and his exceptionally creative work with Plaid Tuba, who are helping to shine the spotlight on Milwaukee's creative community. Reginald was recently selected as a Joyce Foundation grant recipient for a project that will focus on engaging communities and strengthening neighborhoods.

Our arts scene is part of what's attracting young, creative, innovative and civic-minded talent. Three individuals whose energy and commitment are producing real results, are Ian Abston of NEWaukee, and Angela Damiani and Jeremy Fojut of ArtMilwaukee. Their efforts deserve our attention and thanks.

Last year during the inaugural Young Professionals Week presented by NEWaukee, more than 30 organizations joined in engaging, developing and retaining young talent. This year Young Professional Week – coming up in April – will feature highly successful businessman Tony Hsieh, CEO of Zappos. The event will highlight Milwaukee as a great place where talented people choose to work and live.

This past year, a group of Milwaukeeans came together to invest in local businesses. They created a group called Fund Milwaukee, designed to bring together local investors and local businesses. Individual Fund Milwaukee members have invested in the growth of great local companies like Purple Door Ice Cream, Bolzano Artisan Meats, Martha's Pimento Cheese and Central Greens. Efforts like this fuel Milwaukee's future.

Juli Kaufman, who did that great commercial for you, is a Fund Milwaukee organizer and says the investors are simply believers in Milwaukee. What they're doing is giving back to our city and our people. Juli, thank you.

This is just one example of the many people in the trenches working to start new companies to change the face of Milwaukee. There are also passionate people and groups like:

Joe Kirgues of Gener8tor

The GMC's MiKe

Dan Steininger and Bizstartsmilwaukee

Spreenkler

Wisconsin Women's Business Initiative Corporation

Start-up M-K-E

And VetTransfer

Thank you all for all you are doing to make small businesses grow in Milwaukee.

As we all know, Northwestern Mutual will be growing in Milwaukee as well, building a tower that will bring a generational change to the City's skyline. But, Northwestern Mutual's investment is more than a tower.

Milwaukee's "Quiet Company" is making a very loud statement by increasing employment downtown. Its expressed vision is the retention of all current jobs and an addition of 1,700 new positions.

On top of that, building Northwestern Mutual's new structure will create hundreds of construction jobs for Milwaukee residents and generate new opportunities for Milwaukee-based small businesses.

There will be a job training component for our younger and less experienced workforce.

I want to thank Alderwoman Milele Coggs and Aldermen Ashanti Hamilton, Willie Wade and Joe Davis for taking a personal interest in making sure that the training component will produce real results.

This will be the largest construction project in downtown since the U.S. Bank building was completed in the early 1970s.

Northwestern Mutual could have grown anywhere, but its leaders, especially John Schlifske said Milwaukee is the place they want to call home for generations to come. Thank you John, thank you Northwestern Mutual.

Downtown has benefited from investments made by Dental Associates, Marriot and Hilton Garden Inn Hotels. West of the river we have the new and beautiful Moderne residential tower developed by Rick Barrett. And, now, with architect Matt Rinka, he's planning a spectacular new building called the Couture near the lakefront.

From East Town to West Town; from Yankee Hill to Brewers Hill; from East Point to the third and fifth wards, we have over 20,000 residents living in more than 13,000 housing units here. It has been a remarkable transformation.

Our city's future is tied to more people living, working and investing in Milwaukee. A modern transit system is one element of our strategy to make Milwaukee the place they want to live. It's not the only element, and it's not our only strategy to grow Milwaukee. But a modern streetcar is an important ingredient.

So are new, fuel-efficient buses. That's why when I went to Congress in 2009 and broke the 17-year-long dispute over \$91 million dollars in federal transit funds, I made sure that Milwaukee County received \$36 million for buses. That was on top of the \$25 million Milwaukee County received in federal stimulus dollars.

So many people will benefit from the streetcar. Employers, employees, residents, business owners and visitors alike will be able to take advantage of this new, modern way to get around Milwaukee.

There's been criticism over the years about plans for rail transit, but lately I've been hearing new kinds of concerns. Like: "Why don't we have a streetcar already?" ... and, "What's taking so long?"

One reason for the excitement and impatience is that Milwaukee residents and visitors have taken modern streetcars in other cities. They've seen what modern rail transit can do. Which is why places like Kansas City, Atlanta and Cincinnati are joining cities like Seattle and Portland in becoming modern streetcar cities.

We already have the federal share for the streetcar in the bank. The final engineering phase is about to start and will determine the exact route. And we're also beginning the formal utility coordination to reduce costs, as we do on all major public works projects.

Yet, despite the progress we're making, the reality is that we're not in full control of the streetcar's future. The State Public Service Commission may very well disrupt and delay the streetcar.

Yes, there will be complications but I know we can overcome them, like we did when we built Miller Park, when we built the Calatrava, and when the Marquette Interchange was rebuilt. Aldermen Bob Bauman and Nik Kovac are two of our staunchest streetcar supporters and I appreciate their help.

Ambitious and imaginative individuals have the power to dramatically change our cities. One of those people is Bill Penzey. His company has stores across the country and, through Penzey's Spices, he invites people to think differently about food.

Bill is also thinking differently about the long-vacant Northridge Mall. He sees an opportunity there for his company. He also sees a destination for food lovers who can create vitality at Northridge. I agree.

Success at Northridge would reverberate across the northwest side, adding to positive activity underway there. The newly-created Granville Business Improvement District has focused energy on the economic future of the area. Alderman Bob Puente has added his support. And we have also partnered with the Village of Brown Deer to advance our mutual interests.

With all of this, we have reason to be optimistic.

Milwaukee is reinventing itself through technology and innovation, and Milwaukee's International Water Council is the perfect example of that. Through partnerships, Milwaukee is uniquely positioning itself to help solve the world's fresh water crisis. My goal is to increase the number of water industry related jobs. Our investments in the Reed Street Yards, next door to the Water Council, will lay down our marker as the capital of America's Fresh Coast.

The city anticipates investing between five and six million dollars in infrastructure, including streets and a RiverWalk.

The partnership is already paying off. I'm pleased Natural Resources Technology – a Pewaukee-based environmental engineering and consulting firm – sees opportunity and growth in Milwaukee. Today, the company is announcing it will bring its headquarters and 50 employees to a building near the Reed Street Yards.

Laurie Parsons, the President of Natural Resources Technology, and Richard Fox, the company's Vice President are here. I'd like you to stand so we can thank you and welcome you to the City of Milwaukee! Natural Resources Technology chose this location because of its proximity to water-related research and businesses.

The fact that UWM's School of Freshwater Sciences and the Water Council's technology accelerator building are so closely tied – geographically and intellectually – didn't happen by accident. We are capitalizing on Milwaukee's strengths in water industry and water science and I thank all of our partners for their investments and commitment to Milwaukee. I'm certain Alderman Jose Perez joins me as he has been such an advocate for jobs and the water industry.

The Milwaukee Metropolitan Sewage District is making significant changes in the Kinnickinnic River where concrete removal and flood control efforts are adding public benefits that I know Alderman Tony Zelinski appreciates. Similarly, on the Menomonee River, fish will swim farther upstream, and canoeists will have a new launch near the Miller Brewery visitor center.

The sewage district has taken the lead on another important effort. MMSD is investing in a storm water study that is a key part of our re-development efforts in the 30<sup>th</sup> Street Industrial Corridor. By addressing the storm water issues, we can protect businesses and property and make the area more attractive for future investment.

That is important to our Century City efforts. Work at the former A.O. Smith/ Tower Automotive site is progressing well. In 2013, our focus moves from demolition and remediation to infrastructure and marketing.

This is an attractive business location, and it is entirely reasonable to expect the same kind of business development we have seen in the highly successful Menomonee Valley Industrial Center. Ultimately, this is about jobs – creating employment opportunities near capable and eager workers.

Three years ago we welcomed Ingeteam, the international manufacturer of green energy components. The company is a major presence in the Menomonee Valley. And right now, Ingeteam is announcing that it's looking for 50 workers to assist with a new contract. That's the good news any mayor loves to hear.

Last year, I introduced The Mayor's Manufacturing Partnership<sub>1</sub> to address the shortage of skilled workers for manufacturing jobs.

The City's Workforce Board and its partners, Wisconsin Regional Training Partnership/Big Step, and the Milwaukee Area Technical College are working closely with employers to train jobseekers to fill regional job openings in manufacturing. In just under a year, we have worked with 43 local employers to train, place or advance the skills of nearly 500 people in manufacturing careers. I've been to the graduations, and I've seen the incredible pride on the participants' faces. I am confident more workers and more businesses can benefit from the Partnership this year. And I've got a message for manufacturers, if you need workers, we want to help. And the Mayor's Manufacturing Partnership can work with you.

On November 5, it became official! Out of 305 cities, Milwaukee made it into the Top 20 cities for the Mayors Challenge, a national civic contest sponsored by the Bloomberg Foundation.

Milwaukee is now in a heated competition for a prize of up to \$5 million. Our submission, Milwaukee HOME GR/Own, was generated through a Tournavation event I hosted at City Hall. A Tournavation is like a community town hall meeting where citizens brainstorm to generate problem-solving ideas.

The Tournavation attracted hundreds of people who came together to address the issue of foreclosed properties, vacant lots, and food security. The event was so successful that I intend to do more in the coming years.

HOME GR/OWN empowers residents to transform neighborhoods by repurposing foreclosed properties and sparking new economic activity based on local, healthy food production and distribution. HOME GR/OWN is just one measure being employed to address the foreclosure crisis. And it is a crisis.

City-wide, we have 3,000 vacant buildings and 4,800 properties in pre-foreclosure status. The City – your City– has amassed an inventory of more than 1,000 homes. Demolition and board-up costs alone are staggering.

The City has spent \$5 million from the Federal Government, a few hundred thousand dollars from the State and over \$4 million in City funds to take down and board vacant property. That's right, we have spent \$4 million in City money to remedy a problem we didn't cause; \$4 million that could have been used for neighborhood investment, police patrols or healthy infants.

And all the while the crisis was mushrooming, the State put \$26 million of the National Foreclosure Settlement funds into its own coffers.

To let you know how real this problem is, I want to take a moment to focus on three neighborhoods: Amani, Metcalfe and Washington Park; all of them are on the near north and west side of the City.

These three neighborhoods make up about 2% of the City's total area. But within these three neighborhoods there are 460 vacant buildings, which is 15% of the city-wide total. And more than 100 properties are candidates for demolition.

If you think the fall-out from the foreclosure crisis in these neighborhoods hasn't had an impact on people and crime, think again. Remember, these neighborhoods are just 2% of the City's land area. But in 2012, 13% of the City's violent crime, and 8% of all crimes were committed in these three neighborhoods.

To many, especially in State government, these neighborhoods don't exist – they are far away and distant lands; not just easily forgotten, but never even considered.

But these neighborhoods are home to working families and the working poor ... people who pay taxes, mortgages and rent ...they attend our schools ... they worship in our churches. A lot of people in this area own their own homes and have a stake in the health and future of their neighborhood. 40 % of the homes are owner occupied.

Fortunately, through the efforts of Police Chief Edward Flynn, Neighborhood Services Commissioner Art Dahlberg, Common Council President Willie Hines and in collaboration with the Northwestern Mutual Foundation, Zilber Family Foundation, The Greater Milwaukee Foundation, and The Dominican Center, Milwaukee has secured a national Byrne Grant and a White House Neighborhood Capacity Grant that will leverage \$825,000 to help stabilize these three neighborhoods.

Others are helping as well.

The Center for Veterans Issues does a great job and great work in Milwaukee, addressing many of the problems our veterans face. One of those big concerns is housing. This organization was instrumental in opening Veterans Manor at 35th and Wisconsin, and now it is involved in rehabilitating foreclosed housing. In a remarkable partnership with Home Depot, the organization is leveraging foundation dollars with volunteer work from Home Depot associates – more than 1-thousand hours since last September.

The city is working with them to identify appropriate homes for this rehab effort. This veterans' housing work, is indicative of our collective character and strong commitment to our great City and our neighborhoods.

We continue to align our economic and environmental interests through innovative programs for residents and businesses. Why? Why do we do this?

The answer is because we understand that the health of our economy and the welfare of our citizens are tied to a healthy environment.

Last July I announced that Milwaukee had joined the national Better Buildings Challenge. The Better Buildings Challenge calls on business and community leaders to reduce their buildings' energy use by 20 percent by the year 2020.

I'm pleased to report today that six of the largest office buildings in Milwaukee have shown their leadership and have taken the challenge. These buildings and over 130 businesses are investing \$13 million in energy saving upgrades with support from our Milwaukee Energy Efficiency program and are saving hundreds of thousands of dollars in utility costs. And just last Thursday, Johnson Controls joined the program as well. In addition, more than 560 homeowners have upgraded their homes through Me2 and are enjoying energy savings and improved living conditions.

I want to call your attention to another example of an individual being a catalyst for change. As we heard earlier, the Green Corridor is both a place and a concept. Sustainability and neighborhood beauty come together along South 6<sup>th</sup> Street, united by Alderman Terry Witkowski, neighborhood organizations, local businesses and a very determined individual in Bryan Simon. They are creating a healthy neighborhood.

The health of our children and teens is another urgent concern.

Over the last year, the City's dedicated public health nurses provided nearly 9,000 face-to-face visits through the City's successful nurse home visitation programs. These visits give parents the support they need to deliver healthy babies, and help these new families grow through their first years. To build on our success, this year we are adding additional nurses.

That is not the only step we are taking to ensure that more Milwaukee children see their first birthdays. In partnership with the United Way and with funding from BMO Harris Bank, we launched the Healthy Birth Outcomes Initiative. This effort is focused on reaching my ambitious goal of reducing the infant mortality rate by 10% citywide, and by 15% among African-Americans by 2017.

Related to the issue of infant mortality is teen pregnancy. In October, I was proud to announce that for the fifth year in a row, the teen birth rate in Milwaukee decreased. Our city has been held up as a national example for success against teen pregnancy. With the help of the United Way, our Health Department, and Serve Marketing, I am pleased to tell you we are on track to reach my goal of reducing teen pregnancy by 46% in 2015. That's a goal we have to achieve.

As Mayor, I'm often asked, "Mayor Barrett I need a job, can you help me get a job?" I find that question coming from a growing number of teenagers. I believe that when a young person is presented with an option to do what's right or is given a chance to prove themselves through hard work, they'll take it.

Our summer youth employment program, Earn & Learn, has provided more than 16,500 summer jobs since we began. Two years ago, we started the Mayor's Earn & Learn Fund and with generous support from the corporate and foundation communities, we've raised over \$1.2 million. I'd like to recognize and thank Giacomo Fallucca and John Kissinger for their leadership on this important issue. I'd also like to thank Alderman Willie Wade for the work that he has been doing.

This year, I have a goal of 3,000 jobs. I'm going to need your help so please, open your check books so we can offer hope and opportunity through an honest day's work and a paycheck, and create hope in the lives of young people in this community.

Milwaukee Public Schools Superintendent Gregory Thornton and I share a belief that the circumstances of one's birth should not limit one's opportunities to succeed. It's no secret that many of the MPS facilities are old and lack some of the amenities that other school districts may offer and can afford.

In recent weeks, Dr. Thornton, School Board President Michael Bonds and I have been discussing the conditions of the district's two major outdoor athletic facilities – Custer and South Stadium. If you've been to these fields you know –and I'm being kind here – that they need a lot of work. This morning I'm pleased to announce that we have reached an agreement that will lead to \$15 million in improvements for these facilities.

And while we're on the subject of Milwaukee Public Schools, please join me in celebrating a team of young people who are in school today but have accomplished something special. Four students from Milwaukee's Rufus King High School have qualified for the 2013 National Forensic League policy debate tournament. Maddie Budny, James Elias, Quinn Miller and Elias Payne are the only students from our region to earn the chance to compete in Birmingham, Alabama in June. This exemplifies some of the great things going on in Milwaukee schools.

The fiscal health of the City is an issue that must remain front and center. The last few years have been difficult yet we have met every challenge pragmatically and responsibly. Through the hard work of our great budget office and the deliberate approach taken by the Common Council, we are responsible fiscal stewards.

Aldermen Jim Bohl and Joe Dudzik are advocates for strong and cost effective infrastructure investments. As a result, we have achieved a 55-year replacement cycle for the Local Street Paving program – down from 108 years just a decade ago. And we've managed the cost of that change while stabilizing the City's debt service levy.

And here's something you haven't read much about. Earlier this year, Pew Charitable Trusts released a study on pension and healthcare funding plans for 61 large cities nationwide and found Milwaukee to be a top performer. In fact, the report rates our retirement system as the number one pension system, better funded than any other city or state plan in the country. Our approach to pensions reflects responsible actions on the part of city leaders. I want to thank Alderman Michael Murphy for his hard work on budget and pension issues.

Everyone, from management to front-line workers to the Common Council has stepped up to meet the financial pressures. Fire Chief Mark Rohlfing has produced savings of \$700,000 without affecting service levels.

And in December, we reached an agreement with Milwaukee County that will send all 911 cell calls made within the City to our Dispatch Center. For close to a decade these calls were being taken by the Sheriff's department and then transferred to the City. This three year agreement will save County taxpayers money and will improve our 911 dispatch capabilities. I want to thank County Executive Chris Abele and County Board Chairwoman Marina Dimitrijevic for their support and willingness to work with us to get this done. Now, let's work together to finish the park patrol agreement, which I know our County Executive supports.

Here are other examples in which the City of Milwaukee works collaboratively.

The City and Milwaukee Public Schools are participating in a joint request for dental vendors to provide quality service at competitive costs for all employees of the City and MPS.

And, we recently entered into an agreement with County Executive Dan Vrakas and Waukesha County to plan for a single-stream recycling processing center. This will increase the volume of recyclables and generate cost savings.

We're doing a lot of heavy lifting but the load isn't getting any lighter. Over the next 6 years, the annual wage and benefit payment for police and fire will grow to nearly a third of a billion dollars. Our state shared revenue and expenditure restraint payment is \$227 million; the same as it was in 2012 and the same as it will be under the proposed state budget in 2014 and 2015. In fact, the program has basically been frozen for a decade, resulting in an inflation adjusted loss of \$78 million since 2003.

I appreciate that our state aids haven't been drastically reduced and it certainly has been more than one governor and one legislature that have not added inflationary adjustments.

That being said, the delivery of essential services and making necessary infrastructure improvements will be increasingly difficult to meet. Compounding this issue is the fallout from the collapse of the housing market and the resulting foreclosed and vacant properties within the City.

In light of all this, why would anyone think this is the time to lift residency as a condition of employment in the state budget? Why wage an attack on the principle of local control in the state budget? It is beyond me. It is wrong for the fabric of our City. It is wrong for the fabric of our neighborhoods and it is very wrong for the City's fiscal health.

The state hasn't kept up its end of the tax base equalization bargain. The State has codified into law that we- the only City in the state- are mandated to engage in issue by issue arbitration with our most costly bargaining unit. For the State to now swoop in and wipe out our home authority is the very definition of big brother government. This is not the way to govern, and I am asking the State Legislature to leave residency a local issue. Take it out of the budget.

Finally, I want to take a minute and talk about something that has generated a lot of speculation. Over the next few months, the issue of whether to build a new arena will need to have a full public vetting. Because it's early in the process, I want to lay-out what I believe are fundamental pieces to the puzzle. Let me be clear: I want Milwaukee to be the home of the Milwaukee Bucks for decades to come. The team is an important asset to the City, to the region and to the state.

The team belongs in Milwaukee. The team belongs in Wisconsin. That's why I want the process to be transparent, honest and open. However, I cannot support a City of Milwaukee or Milwaukee County only financing plan. We need to have a regional plan because the Bradley Center is a regional and state asset just like Miller Park. Just like State Fair Park.

As the conversation begins on a new arena, I also want to initiate a conversation about local government financing. Specifically, it's time that we address how we're going to finance future City services and infrastructure.

In 2009, The Public Policy Forum's annual review of the City's fiscal condition was titled, "Between a Rock and a Hard Place." The report stated, and I quote, "that by almost any standard, the City of Milwaukee is financially well run and management is not the cause of its fiscal problems." Our challenge is the property tax. We're too dependent on it.

That space between a rock and a hard place is getting even tighter. The collapse of the housing market and the resulting foreclosure crisis has squeezed property values.

City property taxpayers' share of the cost for the School Choice program is slated to increase \$15 million or 26% over the next two years, and as I stated earlier, state shared revenues have not kept up – not even close – with inflation.

If we're going to take the time to have a serious dialogue about a new sports and entertainment complex, and we should, we must also address how we're going to fund cops on the streets, firefighters, essential health services and the infrastructure we depend on.

This can be done. We work well with partners. We have done it with Milwaukee County, Waukesha County, the Water Council, businesses, and state and federal agencies. We're Milwaukeeans, we're good at it. It's a large part of what makes Milwaukee a great City.

I'll be asking local businesses, foundations, universities and the state to work with us to come up with a plan to provide a pathway to long-term financial stability. This is work that has to be done.

We do have our challenges. But what makes us strong is that we don't stand by idly hoping that things will turn around. We take action. What makes Milwaukee great is the spirit that was so wonderfully displayed by the speakers opening this morning's program.

It's that same spirit that drives the commitment we see in Reginald Baylor, NEWaukee, Northwestern Mutual and Natural Resources Technology. It's that same spirit that all of you bring to our hometown.

We are blessed to have so many smart and dedicated people who don't ask, "Why should I invest in Milwaukee?", but who do invest in Milwaukee.

Milwaukee is a city of hard workers, great ambition, and loving families. It is a city of opportunity and beauty. It is a city I am extremely proud of.

Thank you very much.